



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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AAG ✓

August 23, 1991

Mr. Larry A. Drew, Manager
Environmental Affairs
Hecla Mining Company
6500 Mineral Drive
Box C-8000
Coeur d'Alene, Idaho 83814-1931

Dear Mr. Drew:

Re: Mill Tailings Facility Reclamation Plan, Escalante Unit, Hecla Mining Company,
Escalante Silver Mine, M/021/004, Iron County, Utah

Our conversation of August 21, 1991, discussed the need to ensure that a detailed permit and adequate bond covering final reclamation for this facility are completed in a timely manner. Factors attendant to delays in this process include Hecla's questioning the need for a Ground Water Discharge permit as is presently being required by the Division of Water Quality, Utah Department of Environmental Quality (DEQ). The Division of Oil, Gas and Mining's (DOGM) position is that a ground water discharge permit is not a prerequisite to finalization of DOGM's reclamation permit. However, should DEQ's position prevail, the final cap over the pond as delineated in the Ground Water Discharge permit would have to be incorporated into the DOGM reclamation permit, prior to initiation of reclamation. You indicated that Hecla has had a consultant prepare a more recent ground water study and a report has been prepared to be made available to the regulatory agencies for review.

We discussed the concept of incremental bond release: bonds posted for reclamation under the DOGM permit can be reduced with Board concurrence when specified phases of bonded reclamation have been satisfactorily completed.

We also discussed the Bureau of Land Management's (BLM) desire to carefully evaluate borrow sites for capping materials, with the intent of minimizing total acres disturbed for borrow material. Both BLM and DOGM recognize the need to balance haulage costs for cap material from private sources against disturbance of less well suited juxtaposed Public Lands that might serve as potential borrow sites. BLM feels an

Page 2
Hecla Mining Co.
M/021/004
August 23, 1991

EA will be required if Public Lands are to serve as borrow areas. An EA will require at least 30 days to complete. You indicated that your consultant would be performing an in-depth evaluation of the potential borrow areas in the near future.

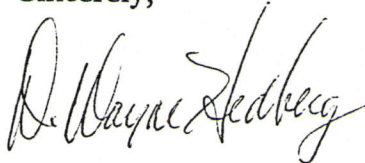
Our conversation indicated that if the issue of the Ground Water Discharge permit is not resolved to DEQ's satisfaction by January 31, 1992, DEQ may initiate an enforcement action to ensure acquisition of a Ground Water Discharge permit.

You indicated that you felt that a mid-September response to the Division's April 29, 1991 letter might be possible, but specifics such as borrow areas for cap materials could not be included in that time frame. Given the conditional approval granted in the April 29, 1991 letter, I hope a satisfactory resolution to all outstanding issues in that letter may be reached by mid-September, with the exception of specific borrow area locations.

I would like to be able to recommend form and amount of surety to the Board of Oil, Gas and Mining no later than the scheduled December 5, 1991 hearing. This will require having the borrow areas resolved and any BLM concurrence required for borrow areas and form and amount of surety resolved prior to November 15, 1991.

I look forward to reviewing your September submission, and to a timely resolution of these issues.

Sincerely,



for Lowell P. Braxton
Associate Director, Mining

jb
cc: Paul Carter, BLM, Cedar City RA
Fred Pehrson, DEQ
Minerals Staff
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